

## RISK MANAGEMENT REPORT IN CY 2024

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### RISK MANAGEMENT SYSTEM

The Bases Conversion and Development Authority (BCDA), through its Regulatory, Compliance and Risk Management Department (RCRMD), conducts risk management orientation and workshops among the departments to equip them with the proper knowledge in identifying risks that impact their objectives, functions and targets. The RCRMD is tasked to collate the identified risks from the departments. These risks will be endorsed to the Management Committee, the Legal, Risk Management and External Relations Committee, and to the Board of Directors, for review and approval.

Regular risk assessment is conducted by all departments in consultation with RCRMD.

In CY 2023, among the identified risks were operational and reputational. Operational risk refers to the untimely implementation of infrastructure projects while reputational risk relates to the presence of unfavorable news against BCDA. With the successful implementation of risk control measures, these risks were mitigated which led to BCDA's accomplishment of the strategic targets in 2023.

### MANAGEMENT OF RISKS IN CY 2024

The BCDA Management, through the President and Chief Executive Officer, is promoting the consolidation of resources and efforts in the Clark Freeport and Special Economic Zone, which is bannered as the "One Clark" vision. The consolidated resources and efforts are projected to generate increased revenues that will finance component programs and projects of the said vision. However, challenges in the revenue stream might occur due to the following identified risks:

#### 1. Operational Risks

As a major development corporation, operational risks on the implementation of infrastructure projects are inherent and unavoidable.

Specifically, the untimely implementation of infrastructure projects are attributed to insufficient deployment of manpower, equipment and

materials by the contractor. This will then result in delayed receipt of revenues from partners who are supposed to be enjoying the accomplished project. Notably, the BCDA has established control measures to lessen the impact of a potential operation risk.

Additionally, among the identified risks in the development of New Clark City include the delayed implementation of projects which can be attributed to the lack of transaction advisors, failure of bidding, and challenges in the clearing operations. To address these issues, BCDA conducted market studies, engaged with global and local experts on the project, and conducted advance clearing activities prior to awarding of contract to avoid issues regarding right-of-way.

## *2. Reputational Risk*

Reputational risks are similarly situated with operational risks. With the national scope of the projects that the BCDA is venturing into, unfavorable news is inherent and unavoidable.

These news often come from high-impact projects that have strong opposition arising from legal issues, while others are operated through black propaganda. The BCDA has mitigated these risks through the implementation of a communication plan that counters negative, or wrong information about BCDA. This plan consists of positive stories about BCDA, improved relationships with all stakeholders and media partners, and conduct of series of dialogues with concerned sectors.

## **CONCLUSION**

It bears stressing that risks are inherent to any public corporation, more so with BCDA which has a national portfolio and has evolved into a major developer in the country today. While these risks are unavoidable, the BCDA has remained steadfast in implementing controls that will help mitigate these risks, ensuring that the programs, projects and activities of the BCDA are achieved within the prescribed timelines and are compliant with the standard set by the GCG.

## SECRETARY'S CERTIFICATE

Republic of the Philippines)  
Taguig City ) SS.

I, **CHRISTIAN T. DULDULAO**, of legal age, being the Corporate Secretary of the Bases Conversion and Development Authority (BCDA), with office address at the 2/F Bonifacio Technology Center, 31<sup>st</sup> Street corner 2<sup>nd</sup> Avenue, Bonifacio Global City, Taguig City, do hereby certify that that on the occasion of the Special BCDA Board Meeting held on 17 December 2024 with a quorum being present, the Board of Directors, upon motion duly seconded, unanimously ratified the following resolution:

### Resolution No. 2024-12-187

Resolve, as it is hereby resolved, that the approval of the 2024 Risk Management Report and the posting thereof on the BCDA Website in Compliance with the requirements of the Governance Commission for GOCCs (GCG) be, as it is hereby RATIFIED.

This certification is being issued subject to the final approval of the Minutes of the 17 December 2024 Special BCDA Board Meeting.

IN WITNESS WHEREOF, I have hereunto affixed my signature this 17<sup>th</sup> day of December 2024.




**CHRISTIAN T. DULDULAO**  
Corporate Secretary

SUBSCRIBED AND SWORN to before me this DEC 26 2024 at Taguig City, Philippines, by Atty. CHRISTIAN T. DULDULAO who exhibited to me his Passport No. P8274275B, issued at DFA Manila on 24 November 2021 and valid until 23 November 2031.

Doc. No. 111  
Page No. 24  
Book No. 1  
Series of 2024

Purpose: As an attachment to the Risk Management Report to be posted on the BCDA website  
SC2024-186  
YB2024-0775



**ATTY. NOVELYN B. CARINAN**  
Notary Public for and in the City of Taguig  
Until December 31, 2025  
Appointment No. 173 (2024-2025)  
PTR No. A-6330452; July 15, 2024; Taguig City  
IBP No. 422573; Jan. 15, 2024; Rizal / Roll No. 90401  
MCLE No. : Admitted to the Philippine Bar  
on December 22, 2023